PILLSBURY WINTHROP LLP

Title: Method and System for Providing ...
Attorney Name: Richard H. Zaitlen
Tel.: (213) 488-7100   Docket No.: 18680-250518
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DCP PROCEDURAL FLOWCHART

FIGURE 1

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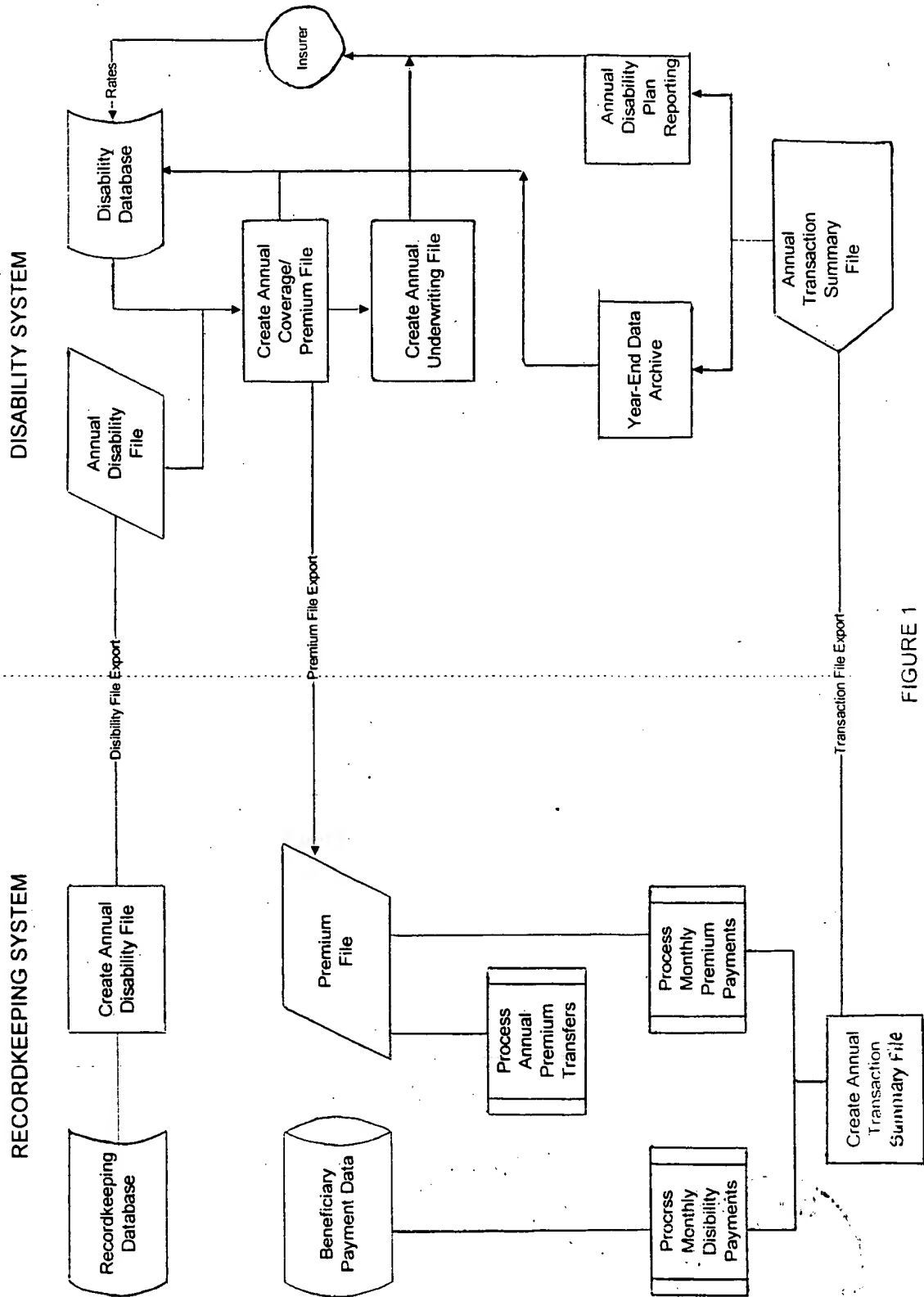
DCP POSSIBLE MONTHLY WORKFLOW		
Recordkeeping System	Month	**Disability Application**
Export Annual Disability File		Import Annual Disability File
Monthly Payments	1	Calculate Annual Premium Info
Import Premium File		Export Premium File
Annual Premium Transfers		
Monthly Premiums	2	
Monthly Payments		
		Premium File Update
Monthly Premiums		
Monthly Payments	3	
		Premium File Update
Monthly Premiums		
Monthly Payments	4	
		Premium File Update
Monthly Premiums		
Monthly Payments	5	
		Premium File Update
Monthly Premiums		
Monthly Payments	6	
		Premium File Update
Monthly Premiums		
Monthly Payments	7	
		Premium File Update
Monthly Premiums		
Monthly Payments	8	
		Premium File Update
Monthly Premiums		
Monthly Payments	9	
		Premium File Update
Monthly Premiums		
Monthly Payments	10	
		Premium File Update
Monthly Premiums		
Monthly Payments	11	
		Premium File Update
Monthly Premiums		
Monthly Payments	12	Year-End Archive
		Annual Reporting

Figure 2

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DCP PREMIUM CALCULATION
PROCEDURES

Start

Read Next Participant Record

Coverage Election

Receiving Benefit Payments

DOT = 00/00/0000

DOT > Last Day of Prior Month

Read Next Source

Source Eligible

More Sources

Source Contributions

Source Monthly Premium

Source Premium

Source Coverage

Coverage Date

Update Premium File

Update Disability Database

More Participants

End

FIGURE 3

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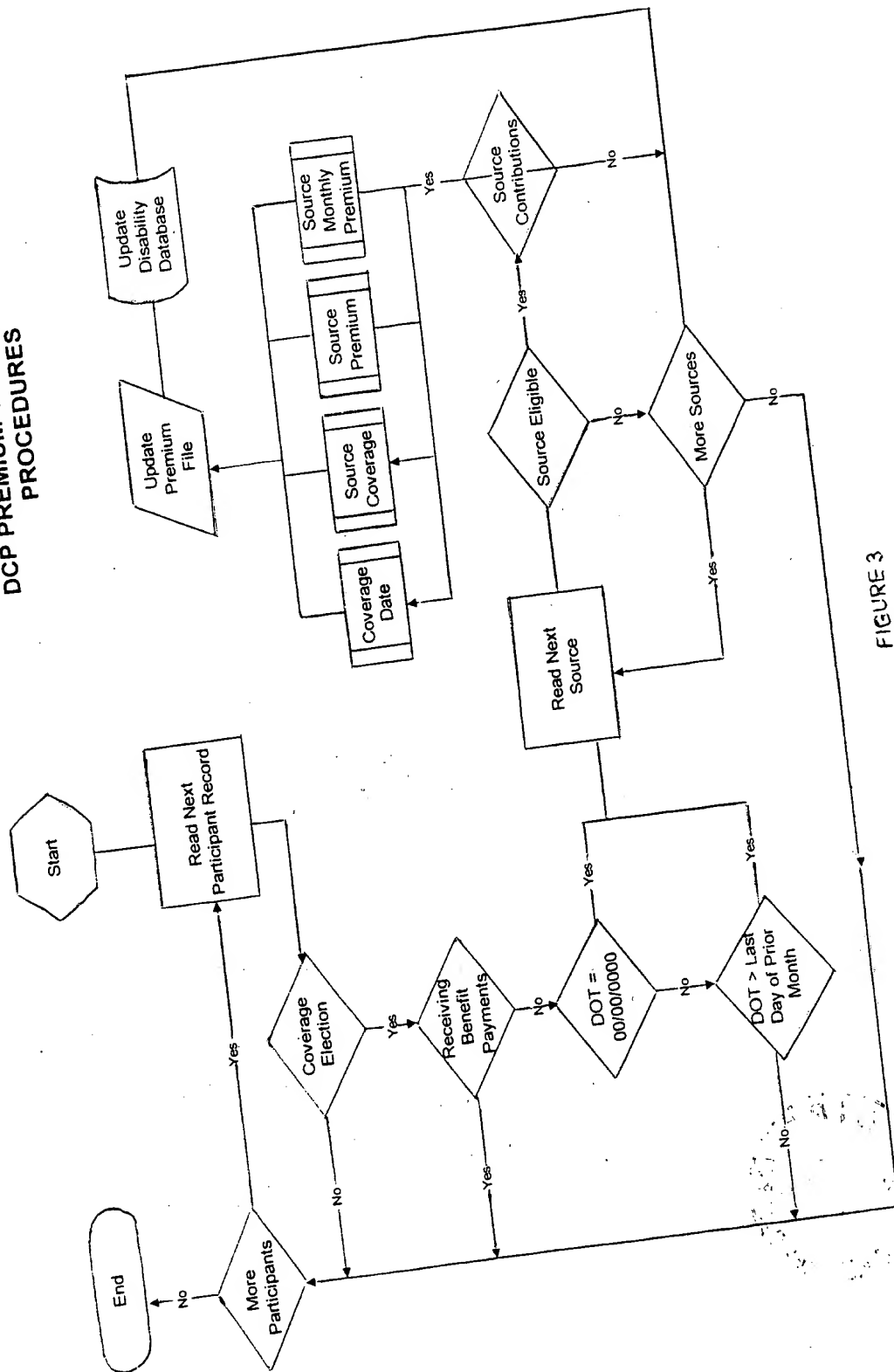Tel.: (213) 488-7100 Docket No.: 18680-250518
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Figure 4

TECHNICAL DESCRIPTION OF DCP PROCESSES

(System fields appear in bold)

I.   Annual determination of coverage dates and premiums

For each participant:

    If **Coverage Election** = YES

        AndIf **Date of Termination** = 00/00/0000 or **Date of Termination** > **Current Effective Date**

           Then

        For each source of money:

           If **Source Eligible for Coverage** = YES

               AndIF participant had source contributions

               Then

               Coverage Date = **Current Effective Date**
                  and
               Source Coverage = Total prior year's source contributions (net of adjustments and corrections)
                  and
               Source Premium = **Source Coverage** x **Insurance Rate**
                  and
               Source Monthly Premium = **Source Premium** / 12
                  and
               Life-To-Date Source Coverage = **Life-To-Date Source Coverage** + **Source Coverage**

               EndIF

           EndIF

        Next Source

      EndIF

    EndIF

Next Participant

Next participant

IV.   Monthly disability payments

For each participant:

    If **Disability Payment Start Date < Current Date**

        Then

        For each source:

            If **Source Coverage = 0**

            Then

            Purchase funds in amount of monthly payment, according to investment elections

            EndIf

        Next source

    EndIf

Next Particiapnt

V.   Year-End Archive

For each plan:

    Add 1 to **Effective Date** year

    For each participant:

        For each source, where T = current year

        Source Coverage $^{T-1}$ = **Source Coverage** ^{T}
        Source Premium $^{T-1}$ = **Premium** ^{T}
        Source Coverage ^{T} = 0
        Source Premium ^{T} = 0

        Next source

    Next participant

Next plan

II. *Annual fund transfer to cover premiums*

For each participant:

    If **Coverage Date** = **Current Effective Date**

        Then

        For each source:

            If **Source Premium** $\neq$ 0

            Then

            Sell eligible funds in amount of **Source Premium**
                and
            Buy "Disability Premium" Fund in amount of **Source Premium**

            EndIf

        Next Source

    EndIF

Next participant

III. *Monthly sale to pay premiums*

For each participant:

    If **Date of Termination** = 00/00/0000 or **Date of Termination** >= 1st day of current month

        Then

        For each source:

            If **Source Monthly Premium** $\neq$ 0

            Then

            Sell "Disability Premium" fund in amount of **Source Monthly Premium**

            EndIf

        Next source

    EndIf